William W. Farris Harlan Mathews Homer Boyd Branan, III John A. Bobango 1,2 Tim Wade Hellen Edwin Dean White, III Charles B. Welch, Jr. John Michael Farris <sup>2</sup> D. Edward Harvey Eugene Stone Forrester, Jr. Dedrick Brittenum, Jr. Barry F. White Robert F. Miller Robert A. McLean 6 Anita I. Lotz Jerry W. Taylor Mark E. Beutelschies 1

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<sup>5</sup> also licensed in Alabama

<sup>6</sup> Tennessee R31 Listed Mediator

February 5, 2001

Mr. K. David Waddell **Executive Secretary** Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

Re:

Amendment to the Application of Memphis Networx, LLC for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Services and Joint Petition of Memphis Light, Gas and Water Division, a Division of the City of Memphis, Tennessee ("MLGW") and A&L Networks -Tennessee, LLC ("A&L") for Approval of Agreement Between MLGW and A&L Regarding Joint Ownership of Memphis Networx, LLC

Docket No. 99-00909

Dear Mr. Waddell:

Enclosed for filing please find the original and thirteen (13) copies of the Data Requests of the Tennessee Cable Telecommunications Association, Time Warner Communications, and Time Warner Telecom of the Mid-South, L.P. in the above-referenced docket. Copies are being served on parties of record.

These Data Requests are being filed at approximately 2:30 P.M. on the due date. This morning, the clerical assistant to the counsel for the Intervenors became ill and had to be relieved from her duties. At approximately 1:30 P.M., counsel for the Intervenors contacted Mr. Walkup and Ms. Sanders requesting their consent to a two hour extension of time to file. Mr. Walkup consented and Ms. Sanders did not consent. Effort was made to contact the hearing officer by telephone, however, he was unavailable.

# FARRIS MATHEWS BRANAN BOBANGO & HELLEN PLC

Mr. K. David Waddell 02/05/01 Page 2

If you have any questions or concerns with regard to this filing, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN BOBANGO & HELLEN PLC

Ву:

Charles B. Welch, Jr.

CBW:cwa Enclosure

G:\CBWMemphis Networx\Waddell 2 5 01

# BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

#### IN RE:

APPLICATION OF MEMPHIS NETWORX, LLC FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATION SERVICES AND JOINT PETITION OF MEMPHIS LIGHT GAS & WATER DIVISION, A DIVISION OF THE CITY OF MEMPHIS, TENNESSEE ("MLGW") AND A&L NETWORKS-TENNESSEE, LLC ("A&L") FOR APPROVAL OF AGREEMENT BETWEEN MLGW AND A&L REGARDING JOINT OWNERSHIP OF MEMPHIS NETWORX, LLC.

Docket No. 99-00909

# DATA REQUESTS OF THE TENNESSEE CABLE TELECOMMUNICATIONS ASSOCIATION, TIME WARNER COMMUNICATIONS, AND TIME WARNER TELECOM OF THE MID-SOUTH, L.P.

COMES NOW Intervenors, Tennessee Cable Telecommunications Association ("TCTA"), Time Warner Communications ("TWC") and Time Warner Telecom of the Mid-South, L.P. ("TWTC"), pursuant to Tennessee Code Annotated § 4-5-311 and Rules 33 and 34 of the Tennessee Rules of Civil Procedure, submits these Data Requests to the Applicant, Memphis Networx, L.L.C. ("Memphis Networx"), and the Joint Petitioners, Memphis Light, Gas & Water ("MLGW"), A&L Networks-Tennessee, LLC ("A&L") and Memphis Broadband, LLC ("Memphis Broadband").

The style of the Amendment to the Application still references a Joint Petition of MLGW and A&L for approval of an agreement between MLGW and A&L regarding joint ownership of Memphis Networx. A&L has filed an amendment to its Application, indicating that its membership interest in Memphis Networx has been sold to Memphis Broadband.

#### **DEFINITIONS**

- The term "Identify" as used herein, with respect to any: (i) person, means to (a) provide the name, current residential address, current residential telephone number, current business address, current business telephone number, the occupation or job title of that person, and the name, title and employer of the person at the time in question; (ii) with respect to any other entity, the term means to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by the entity; and (iii) with respect to any document, the term means to provide the date of the document, the identity of the author or preparer of the document, the identity of each person to whom a copy or copies were sent, the type of document (e.g., letter, memorandum, tape recording, etc.), the substance and summary of the contents of the document, the title or label (if any) of the document, the present or last-known location and custodian of the document and any copies thereof, and if any such document was, but is no longer, in your possession, custody or control or is no longer in existence, state whether it: (1) is missing or lost; (2) has been destroyed; or (3) has been transferred voluntarily or involuntarily, and if so, state the circumstances surrounding the authorization for each such disposition and the date of such disposition.
- (b) The term "Document," as used herein, shall have the broadest possible meaning under applicable law, and means any medium, including computers or other electronic media, upon which intelligence or information can be recorded, stored and/or retrieved, and includes, without limitation, the original and the copy, regardless of origin or location, of any book, record, report, statement, diary, calender, schedules, progress

schedules, time logs, drawings, notes, audio tape, video tape, computer disk, computer tape, computer printout, electronic or voice-mail message, pamphlet, periodical, letter, memorandum (including memorandum, note or report of a meeting or conversation) or any other written, typed, reported, transcribed, punched, taped, filmed, electronic or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was but is not longer in your possession, custody or control. The term "Document" shall include all copies of documents by whatever means made, including any non-identical copies (or are different from the original because of handwritten notes, underlining, blind carbon copy or otherwise) and drafts of documents.

- (c) The term "relating to" or "relates to" as used herein means evidencing, supporting, contradicting, constituting, containing, recording, discussing, summarizing, analyzing, disclosing, referring to in whole or in part, or otherwise pertaining to any way.
- (d) The term "you" as used herein means Memphis Networx, MLGW, A&L or Memphis Broadband, or any other names under which you are known or have been known. These Data Requests are to be answered by Memphis Networx, MLGW, A&L and Memphis Broadband or representatives thereof who are cognizant of the relevant facts. For purposes of framing your responses to these Data Requests, the singular should be read to include the plural, and vice versa.
- (e) "Person" means any natural person, corporation, corporate division, partnership, or unincorporated association, trust, government agency, or any other entity.

- (f) "And" and "or" shall be construed both conjunctively and disjunctively, and each shall include the other whenever such construction will serve to bring within the scope of these Data Requests information that would not otherwise be brought within their scope.
- (g) "A&L" means A&L Networks-Tennessee, LLC, its parent, subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or reporting to act on behalf of A&L.
- (h) "Memphis Broadband" means Memphis Broadband, LLC, its parent, subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or reporting to act on behalf of Memphis Broadband.
- (I) "Memphis Angels" means Memphis Angels, LLC, its parent, subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or reporting to act on behalf of Memphis Angels.
- (j) "M-Net 2000" means M-Net 2000, a Tennessee general partnership, its parent, subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or reporting to act on behalf of M-Net 2000.
- (k) "Belz Broadband" means Belz Broadband Associates, a Tennessee general partnership, its parent, subsidiaries, and affiliates, their present and former officers, employees, agents, directors, and all other persons acting or reporting to act on behalf of Belz Broadband.

#### **INSTRUCTIONS**

- (a) These Data Requests are continuing in nature, and to the extent that any answers thereto may be enlarged, expanded upon, modified, or corrected as the result of any changes in circumstances subsequent to the filing of Memphis Networx's, MLGW's, A&L's and Memphis Broadband's answers hereto, said parties are required to promptly supply counsel for the TCTA with amended or supplemental answers as required by Rule 26 of the Tennessee Rules of Civil Procedure.
- (b) If any response required by way of answer to these Data Requests is considered to contain confidential or protected information, as defined by the terms of the Protective Order entered in this docket, please furnish this information subject to the terms of said Order.
- (c) These Data Requests are to be answered with reference to all information in your possession, custody or control or reasonably available to you. These Data Requests are intended to include requests for information which is physically within Memphis Networx's, MLGW's, A&L's or Memphis Broadband's possession, custody or control as well as in the possession, custody or control of Memphis Networx's, MLGW's, A&L's and Memphis Broadband's agents, attorneys, or other third parties from whom such documents may be obtained. If any Data Requests cannot be responded to in full, answer to the extent possible and specify the reason for your inability to respond fully. If you object to any part of any Data Request, answer all parts of the Data Request to which you do not object, and as to each part to which you do object, separately set forth the specific basis for the objection.

#### **DATA REQUESTS**

#### Request No.

1.: Identify any and all current or former employees of MLGW and Memphis Broadband, Memphis Angels, M-Net 2000 and Belz Broadband that are current employees of Memphis Networx. Identify the name, address and job title for each employee.

#### Response:

Request No. 1.: Produce a copy of any and all documentation evidencing the sale of the membership interest of A&L in Memphis Networx to Memphis Broadband, including all closing documents and including documentation identifying all individuals who had any involvement with such sale.

#### Response:

Request No. 2.: Identify any and all business entities in which MLGW holds an interest as of February 5, 2001, including all pursuits in which MLGW is currently engaged to increase its non-traditional revenue, *i.e.*, income generated from sources other than the delivery of electric, gas and/or water services. Describe the nature of the business, MLGW's percentage ownership or interests in the entity, and the entity's business structure.

**Request No. 3.:** Identify all individuals who had any involvement in the amendment of the Operating Agreement.

#### Response:

Request No. 4.: Identify when Memphis Broadband, Memphis Angels, M-Net 2000 and Belz Broadband were formed and set forth their business structures, listing all parent companies, subsidiaries, affiliates, present and former officers, employees, agents, directors and all other persons acting or purporting to act on behalf of these entities. Provide a copy of the charter and a list of all shareholders (or comparable investors if not organized as a traditional corporation) of these entities if not previously provided.

#### Response:

**Request No. 5.:** Provide a copy of any business plans since October of 1999 of A&L, Memphis Broadband, Memphis Networx, Memphis Angels, M-Net 2000, Belz Broadband or any entity in which Mr. Lowe has any interest whatsoever.

#### Response:

**Request No. 6.:** Provide a detailed breakdown identifying "Prior Costs" and "Subsequent Costs" as those terms is defined in the Amended and Restated Application and Joint Petition at Articles 1.39 and 1.41.

Request No. 7.: Provide a detailed breakdown identifying "Subsequent Costs" as that term is defined at Article 1.41 of the Amended and Restated Op

Response:

Request No. 8.: Provide documentation evidencing that MLGW has made Capital Contributions to Memphis Networx of \$2,795,185.00 and that Memphis Broadband has made Capital Contributions to Memphis Networx of \$2,789,359.60 as stated in Article 9.1(a) of the Amended and Restated Operating Agreement, and evidencing all other cost calculations for figures listed at Article 9.1(a).

#### Response:

**Request No. 9.:** Please identify any and all acquisitions, mergers or other similar corporate activity in which Memphis Networx has been involved other than the transfer of A&L's membership interest in Memphis Networx to Memphis Broadband.

#### Response:

**Request No. 10.:** Provide a copy of any agreement or other documentation between A&L, Memphis Broadband, MLGW and/or any third party relating in any way to the substitution of Memphis Broadband as a member.

#### Response:

**Request No. 11.:** Provide a copy of any and all agreements or documentation of any sort relating in any way to conduit either purchased or provided by MLGW, Memphis

Broadband, A&L or any third party as it relates in any way to the issues presented in the Amended and Restated Operating Agreement.

#### Response:

Request No. 12.: Identify and provide a copy of any and all contracts or agreements entered into between MLGW and Mr. Alex Lowe or any entity in which Mr. Lowe acts in a representative capacity since October 1, 1999. Identify whether any such contract or agreement has been extended in any manner since the parties entered into any contract or agreement.

#### Response:

**Request No. 13.:** Identify and provide a copy of any and all contracts or agreements relating to conduit in subdivisions entered into between Mr. Lowe and any other entity or individual.

#### Response:

Request No. 14.: Identify and provide a copy of any records or other documentation held by Mr. Lowe which have been transferred, given to or acquired by Memphis Broadband.

#### Response:

**Request No. 15.:** Produce copies of all invoices and shipping orders for cable or conduit purchased by MLGW and referred to in Article 9.1(a) of the Amended and Restated Operating Agreement.

#### Response:

**Request No. 16.:** Identify when the fifth governor will be designated jointly by MLGW and Memphis Broadband. Describe the methods for the joint designation of the fifth governor.

#### Response:

**Request No. 17.:** Provide a copy of all documentation evidencing MLGW's audit of the expense "true up" discussed in Article 9.1 of the Amended and Restated Operating Agreement.

#### Response:

**Request No. 18.:** Identify and provide any and all documents regarding the amount of joint and common costs incurred by MLGW during FY 2000 and the first month of 2001. **Response:** 

**Request No. 19.:** Identify and provide any and all documents showing the dollar amount of joint and common costs allocated to each division of MLGW during FY 2000 and the first month of 2001.

**Request No. 20.:** Identify and provide any and all documents showing the organization expenses incurred by or on behalf of Memphis Networx through February 5, 2001.

#### Response:

**Request No. 21.:** Identify and provide any and all documents showing the total payments made to managerial consultants, technical consultants and legal counsel by or on behalf of Memphis Networx as of February 5, 2001. Identify the account to which each of these expenditures has been or will be classified.

#### Response:

**Request No. 22.:** Provide a complete list of entities, including any and all municipalities or other governmental entities, with which Memphis Broadband has entered into business relationships to provide any services. Describe the services provided or anticipated to be provided.

#### Response:

**Request No. 23.:** Identify and provide a copy of all proposed or executed contracts to which Memphis Broadband is a party.

**Request No. 24.:** Identify all MLGW staff, plant equipment and all other resources used to date in the electric division that assisted in any way the telecom division or Memphis Networx. Describe the level of and the extent to which each was involved.

**Request No. 25.:** Provide any and all documentation reflecting "uncalled commitments" by investors as listed on Memphis Broadband's balance sheet.

Response:

Response:

**Request No. 26.:** Describe the allocation of costs from other MLGW divisions to the telecom division to date.

Response:

Request No. 27.: List MLGW construction projects commenced during the past five (5) years which require the deployment of telecommunications facilities on behalf of the electric, gas or water divisions. Indicate whether Memphis Networx will lease or have access to any of these facilities, including the terms of such arrangements.

#### Response:

Request No. 28.: Identify and provide any and all correspondence, memoranda, notes, contracts or any other related documents pertaining to Arthur D. Little, Inc., written by A&L, Memphis Broadband or MLGW which has not been previously provided.

**Request No. 29.:** Describe any current or former business relationship of any nature whatsoever between Arthur D. Little, Inc. and A&L, Memphis Broadband and/or MLGW. **Response:** 

Request No. 30.: Identify, describe and document any loan commitments of any nature from third parties to MLGW, A&L, Memphis Broadband or Memphis Networx. Identify the lender and the terms and provide a copy of the applicable documentation. Response:

Request No. 31.: Identify, describe and provide any and all documents Memphis Networx, A&L, Memphis Broadband and/or MLGW may have prepared indicating the economic viability of the Memphis Networx venture or the review or update of Memphis Networx's business plan to reflect changes in the market and customer demand which may have occurred since the filing of the original Application.

# Response:

**Request No. 32.:** Provide the date, amount and purpose of any investment, cash or otherwise, by Memphis Broadband for Memphis Networx.

# Response:

**Request No. 33.:** Describe any other public utility that has proposed to enter into, has declined to enter into, or has actually entered into the telecommunications industry, either directly or indirectly, within the past five (5) years that MLGW either reviewed

and/or relied upon during its decision to provide the proposed services. Provide documentation of any such reliance.

#### Response:

**Request No. 34.:** List all cities, counties or governmental entities of any nature whatsoever where Memphis Broadband is currently operating any similar telecommunications service networks.

#### Response:

**Request No. 35.:** Identify each investor and principal of Memphis Broadband that have "direct experience in startup projects in Shelby County" as well as the identity of the startup project (Supplemental Testimony of William Larry Thompson, page 4).

#### Response:

Request No. 36.: Provide a complete explanation of the term "digital divide" according to MLGW's, Memphis Broadband's and/or Memphis Networx' understanding of such term and provide a copy of all workpapers and/or studies that have been prepared by or on behalf of MLGW, Memphis Broadband, A&L, and Memphis Networx that discuss the investment required to bridge the digital divide in Shelby County.

#### Response:

**Request No. 37.:** Provide a description of the term "underserved area" as used in the prefiled testimony of William Larry Thompson and Andrew Seamons and identify each

geographic area within Shelby County that is deemed to be "underserved" according to MLGW, Memphis Broadband and/or Memphis Networx.

#### Response:

**Request No. 38.:** Provide the investment of A&L 's ownership interest in Memphis Networx on November 29, 2000 when Memphis Broadband acquired A&L's membership interest and provide the amount of premium that Memphis Broadband paid to A&L in excess of A&L's ownership interest in Memphis Networx.

#### Response:

Request No. 39.: Provide a copy of all purchase orders and vendor invoices relating to MLGW's purchase of fiber optic cable on behalf of Memphis Networx, the date of delivery of the material and the facilities where Memphis Networx has inventoried the fiber optic cable.

Respectfully submitted

FARRIS MATHEWS BRANAN BOBANGO & HELLEN PLC

Bv:

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Steven C. Brammer, 15785
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#### CERTIFICATE OF SERVICE

I, Charles B. Welch, Jr., hereby certify that I have served a copy of the foregoing on the parties listed below on this the 5th day of February, 2001.

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Tennessee Regulatory Authority
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